



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 30, 2013

JUDY MOUNT, TREASURER
DEMOCRATIC EXECUTIVE COMMITTEE OF
FLORIDA
214 SOUTH BRONOUGH STREET
TALLAHASSEE, FL 32301

Response Due Date
06/04/2013

IDENTIFICATION NUMBER: C00005561

REFERENCE: YEAR-END REPORT (11/27/2012 - 12/31/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 6 item(s):

1. Schedule A of your 2012 reports combined discloses transfers totaling \$664,562.99 from the "Swing State Victory Fund," which is a joint fundraising committee affiliated with your committee. The sum of memo Schedule A is less than the total amount transferred. Please note that the sum of memo Schedule A supporting a transfer(s) from a joint fundraising committee should be greater than or equal to the amount of the transfer(s).

Each participating committee shall report its share for net proceeds received from the joint fundraising committee as a transfer-in on Schedule A. A memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. (11 CFR § 102.17(c)(8)(i)(B)) Please amend your report to include the missing Schedule A or provide an explanation for this apparent discrepancy.

2. Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from "Brush Fire Strategies," "Don & Mary Frazier," "ECP Property

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Holdings LLC," "Richard Griffin," "Lakeside Plaza, LLC," " Luis Rodriguez," and "Marshall B Smith." Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission. (11 CFR §104.17 and Advisory Opinion 1995-22)

3. Schedule B of your report discloses reimbursements to individuals for "GOTV Supplies." Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in \$200 or more in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary, you must indicate so in an amendment to this report. (11 CFR §300.36(b), and Advisory Opinions 1992-1 and 1996-20, footnote 3)

4. You have made disbursements for "Direct Mail/Volunteer Exempt" which you have characterized as exempt activities. In order for an activity to be classified as exempt, it must meet the following conditions: (1) For slate cards and sample ballots: it names at least three candidates running for election to any public office, it is not distributed through public political advertising (including broadcast media, newspapers, magazines, and billboards), the content is limited to the identification of each candidate, the office or position currently held, the office sought and party affiliation, and the costs allocable to federal candidates are paid with permissible funds; (2) For campaign materials: the activity is conducted on behalf of the party's nominees in the general election, the materials are distributed by volunteers--not through public political advertising, the party committee does not use materials purchased by the national party committee or money transferred from the national committee to purchase materials, the party committee does not use funds designated for a particular federal candidate, a payment from a non-federal campaign to help pay for the materials does not exceed its allocated share of the expenses, and the costs allocable to federal candidates are paid with permissible funds; (3) For voter drives: the activity is on behalf of the party's Presidential and Vice Presidential nominees, the activity does not involve the use of public political

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advertising such as television, radio, newspapers, magazines, billboards or direct mail, phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors), the party committee does not use funds transferred by the national party committee for voter drive activities, the party committee does not use funds designated for a particular federal candidate, and the cost allocable to federal candidates are paid with permissible funds. (11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149)

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and if any portion of the expenditures were made on behalf of specifically identified candidates, this amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of these activities.

5. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B for Line 30(b) of your report to clarify the following description(s): "Consulting/Political," and "Consulting Fee." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

6. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Health Benefits," and "Insurance." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal Election Activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

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Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1164.

Sincerely,

A handwritten signature in black ink that reads "Nicole Miller". The signature is written in a cursive, flowing style.

Nicole Miller
Senior Campaign Finance Analyst
Reports Analysis Division